

employment of 1,000 employees or more.⁴⁹⁵ Thus, under this size standard, the majority of firms can be considered small.

168. *Cellular and Other Wireless Telecommunications.* The SBA has developed a small business size standard for Cellular and Other Wireless Telecommunication, which consists of all such firms having 1,500 or fewer employees.⁴⁹⁶ According to Census Bureau data for 1997, in this category there was a total of 977 firms that operated for the entire year.⁴⁹⁷ Of this total, 965 firms had employment of 999 or fewer employees, and an additional twelve firms had employment of 1,000 employees or more.⁴⁹⁸ Thus, under this size standard, the majority of firms can be considered small.

169. *Broadband Personal Communications Service.* The broadband Personal Communications Service (PCS) spectrum is divided into six frequency blocks designated A through F, and the Commission has held auctions for each block. The Commission defined "small entity" for Blocks C and F as an entity that has average gross revenues of \$40 million or less in the three previous calendar years.⁴⁹⁹ For Block F, an additional classification for "very small business" was added and is defined as an entity that, together with its affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years.⁵⁰⁰ These standards defining "small entity" in the context of broadband PCS auctions have been approved by the SBA.⁵⁰¹ No small businesses, within the SBA-approved small business size standards bid successfully for licenses in Blocks A and B. There were 90 winning bidders that qualified as small entities in the Block C auctions. A total of 93 small and very small business bidders won approximately 40 percent of the 1,479 licenses for Blocks D, E, and F.⁵⁰² On March 23, 1999, the Commission re-auctioned 347 C, D, E, and F Block licenses. There were 48 small business winning bidders. On January 26, 2001, the Commission completed the auction of 422 C and F Broadband PCS licenses in Auction No. 35. Of the 35 winning bidders in this auction, 29 qualified as "small" or "very small" businesses. Based on this information, the Commission concludes that the number of small broadband PCS licenses will include the 90 winning C Block bidders, the 93 qualifying

⁴⁹⁵*Id.* The census data do not provide a more precise estimate of the number of firms that have employment of 1,500 or fewer employees; the largest category provided is "Firms with 1,000 employees or more."

⁴⁹⁶13 C.F.R. § 121.201, NAICS code 513322.

⁴⁹⁷U.S. Census Bureau, 1997 Economic Census, Subject Series: Information, "Establishment and Firm Size (Including Legal Form of Organization)," Table 5, NAICS code 513322.

⁴⁹⁸*Id.* The census data do not provide a more precise estimate of the number of firms that have 1,500 or fewer employees; the largest category provided is "Firms with 1,000 employees or more."

⁴⁹⁹*See Amendment of Parts 20 and 24 of the Commission's Rules – Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap*, WT Docket No. 96-59, Report and Order, 61 FR 33859 (July 1, 1996); *see also* 47 C.F.R. § 24.720(b).

⁵⁰⁰*See id.*

⁵⁰¹*See, e.g., Implementation of Section 309(j) of the Communications Act – Competitive Bidding*, PP Docket No. 93-253, Fifth Report and Order, 59 FR 37566 (July 22, 1994).

⁵⁰²FCC News, Broadband PCS, D, E and F Block Auction Closes, No. 71744 (rel. January 14, 1997). *See also Amendment of the Commission's Rules Regarding Installment Payment Financing for Personal Communications Services (PCS) Licenses*, WT Docket No. 97-82, Second Report and Order, 62 FR 55348 (Oct. 24, 1997).

bidders in the D, E, and F Block auctions, the 48 winning bidders in the 1999 re-auction, and the 29 winning bidders in the 2001 re-auction, for a total of 260 small entity broadband PCS providers, as defined by the SBA small business size standards and the Commission's auction rules. We note that, as a general matter, the number of winning bidders that qualify as small businesses at the close of an auction does not necessarily represent the number of small businesses currently in service. Also, the Commission does not generally track subsequent business size unless, in the context of assignments or transfers, unjust enrichment issues are implicated.

170. *Narrowband Personal Communications Services.* The Commission has adopted a two-tiered small business size standard in the *Narrowband PCS Second Report and Order*.⁵⁰³ A "small business" is an entity that, together with affiliates and controlling interests, has average gross revenues for the three preceding years of not more than \$40 million. A "very small business" is an entity that, together with affiliates and controlling interests, has average gross revenues for the three preceding years of not more than \$15 million. The SBA has approved these small business size standards.⁵⁰⁴ In the future, the Commission will auction 459 licenses to serve Metropolitan Trading Areas (MTAs) and 408 response channel licenses. There is also one megahertz of narrowband PCS spectrum that has been held in reserve and that the Commission has not yet decided to release for licensing. The Commission cannot predict accurately the number of licenses that will be awarded to small entities in future actions. However, four of the 16 winning bidders in the two previous narrowband PCS auctions were small businesses, as that term was defined under the Commission's Rules. The Commission assumes, for purposes of this analysis, that a large portion of the remaining narrowband PCS licenses will be awarded to small entities. The Commission also assumes that at least some small businesses will acquire narrowband PCS licenses by means of the Commission's partitioning and disaggregation rules.

171. *220 MHz Radio Service – Phase I Licensees.* The 220 MHz service has both Phase I and Phase II licenses. Phase I licensing was conducted by lotteries in 1992 and 1993. There are approximately 1,515 such non-nationwide licensees and four nationwide licensees currently authorized to operate in the 220 MHz band. The Commission has not developed a small business size standard for small entities specifically applicable to such incumbent 220 MHz Phase I licensees. To estimate the number of such licensees that are small businesses, we apply the small business size standard under the SBA rules applicable to "Cellular and Other Wireless Telecommunications" companies. This standard provides that such a company is small if it employs no more than 1,500 persons.⁵⁰⁵ According to Census Bureau data for 1997, there were 977 firms in this category, total, that operated for the entire year.⁵⁰⁶ Of this total, 965 firms had employment of 999 or fewer employees, and an additional 12 firms had employment of 1,000 employees or more.⁵⁰⁷ If this general ratio continues in the context of Phase I 220

⁵⁰³ *Amendment of the Commission's Rules to Establish New Personal Communications Services, Narrowband PCS*, Docket No. ET 92-100, Docket No. PP 93-253, Second Report and Order and Second Further Notice of Proposed Rulemaking, 65 FR 35875 (June 6, 2000).

⁵⁰⁴ See Letter to Amy Zoslov, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA (Dec. 2, 1998).

⁵⁰⁵ 13 C.F.R. § 121.201, NAICS code 517212.

⁵⁰⁶ U.S. Census Bureau, 1997 Economic Census, Subject Series: Information, "Employment Size of Firms Subject to Federal Income Tax: 1997," Table 5, NAICS code 513322.

⁵⁰⁷ *Id.* The census data do not provide a more precise estimate of the number of firms that have employment of 1,500 or fewer employees; the largest category provided is "Firms with 1,000 employees or more."

MHz licensees, the Commission estimates that nearly all such licensees are small businesses under the SBA's small business size standard.

172. *220 MHz Radio Service – Phase II Licensees.* The 220 MHz service has both Phase I and Phase II licenses. The Phase II 220 MHz service is a new service, and is subject to spectrum auctions. In the *220 MHz Third Report and Order*, we adopted a small business size standard for “small” and “very small” businesses for purposes of determining their eligibility for special provisions such as bidding credits and installment payments.⁵⁰⁸ This small business size standard indicates that a “small business” is an entity that, together with its affiliates and controlling principals, has average gross revenues not exceeding \$15 million for the preceding three years.⁵⁰⁹ A “very small business” is an entity that, together with its affiliates and controlling principals, has average gross revenues that do not exceed \$3 million for the preceding three years. The SBA has approved these small business size standards.⁵¹⁰ Auctions of Phase II licenses commenced on September 15, 1998, and closed on October 22, 1998.⁵¹¹ In the first auction, 908 licenses were auctioned in three different-sized geographic areas: three nationwide licenses, 30 Regional Economic Area Group (EAG) Licenses, and 875 Economic Area (EA) Licenses. Of the 908 licenses auctioned, 693 were sold. Thirty-nine small businesses won licenses in the first 220 MHz auction. The second auction included 225 licenses: 216 EA licenses and 9 EAG licenses. Fourteen companies claiming small business status won 158 licenses.⁵¹²

173. *800 MHz and 900 MHz Specialized Mobile Radio Licenses.* The Commission awards “small entity” and “very small entity” bidding credits in auctions for Specialized Mobile Radio (SMR) geographic area licenses in the 900 MHz bands to firms that had revenues of no more than \$15 million in each of the three previous calendar years, or that had revenues of no more than \$3 million in each of the previous calendar years.⁵¹³ The SBA has approved these size standards.⁵¹⁴ The Commission awards “small entity” and “very small entity” bidding credits in auctions for Specialized Mobile Radio (SMR) geographic area licenses in the 800 MHz bands to firms that had revenues of no more than \$40 million in each of the three previous calendar years, or that had revenues of no more than \$15 million in each of the

⁵⁰⁸ *Amendment of Part 90 of the Commission's Rules to Provide for the Use of the 220-222 MHz Band by the Private Land Mobile Radio Service*, PR Docket No. 89-552, GN Docket No. 93-252, PP Docket No. 93-253, Third Report and Order and Fifth Notice of Proposed Rulemaking, 12 FCC Rcd 10943, 11068-70, paras. 291-95 (1997) (*220 MHz Third Report and Order*).

⁵⁰⁹ *Id.* at 11068-70, para. 291.

⁵¹⁰ See letter to D. Phythyon, Chief, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA (Jan. 6, 1998).

⁵¹¹ See generally Public Notice, “220 MHz Service Auction Closes,” 14 FCC Rcd 605 (1998).

⁵¹² Public Notice, “Phase II 220 MHz Service Spectrum Auction Closes,” 14 FCC Rcd 11218 (1999).

⁵¹³ 47 C.F.R. § 90.814(b)(1).

⁵¹⁴ See Letter from Aida Alvarez, Administration, Small Business Administration to Daniel B. Phythyon, Chief, Wireless Telecommunications Bureau, Federal Communications Commission (Oct. 27, 1997). See Letter from Aida Alvarez, Administrator, Small Business Administration to Thomas Sugrue, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, Federal Communications Commission (Aug. 10, 1999).

previous calendar years.⁵¹⁵ These bidding credits apply to SMR providers in the 800 MHz and 900 MHz bands that either hold geographic area licenses or have obtained extended implementation authorizations. The Commission does not know how many firms provide 800 MHz or 900 MHz geographic area SMR service pursuant to extended implementation authorizations, nor how many of these providers have annual revenues of no more than \$15 million. One firm has over \$15 million in revenues. The Commission assumes, for purposes here, that all of the remaining existing extended implementation authorizations are held by small entities, as that term is defined by the SBA. The Commission has held auctions for geographic area licenses in the 800 MHz and 900 MHz SMR bands. There were 60 winning bidders that qualified as small or very small entities in the 900 MHz SMR auctions. Of the 1,020 licenses won in the 900 MHz auction, bidders qualifying as small or very small entities won 263 licenses. In the 800 MHz auction, 38 of the 524 licenses won were won by small and very small entities. We note that, as a general matter, the number of winning bidders that qualify as small businesses at the close of an auction does not necessarily represent the number of small businesses currently in service. Also, the Commission does not generally track subsequent business size unless, in the context of assignments or transfers, unjust enrichment issues are implicated.

174. *Private and Common Carrier Paging.* In the *Paging Third Report and Order*, we developed a small business size standard for “small businesses” and “very small businesses” for purposes of determining their eligibility for special provisions such as bidding credits and installment payments.⁵¹⁶ A “small business” is an entity that, together with its affiliates and controlling principals, has average gross revenues not exceeding \$15 million for the preceding three years. Additionally, a “very small business” is an entity that, together with its affiliates and controlling principals, has average gross revenues that are not more than \$3 million for the preceding three years. The SBA has approved these size standards.⁵¹⁷ An auction of Metropolitan Economic Area licenses commenced on February 24, 2000, and closed on March 2, 2000.⁵¹⁸ Of the 985 licenses auctioned, 440 were sold. Fifty-seven companies claiming small business status won. At present, there are approximately 24,000 Private-Paging site-specific licenses and 74,000 Common Carrier Paging licenses. According to the most recent *Trends in Telephone Service*, 471 carriers reported that they were engaged in the provision of either paging and messaging services or other mobile services.⁵¹⁹ Of those, the Commission estimates that 450 are small, under the SBA business size standard specifying that firms are small if they have 1,500 or fewer employees.⁵²⁰

⁵¹⁵ 47 C.F.R. § 90.814(b)(1). A request for approval of 800 MHz standards was sent to the SBA on May 13, 1999. The matter remains pending.

⁵¹⁶ 220 MHz *Third Report and Order*, 12 FCC Rcd at 11068-70, paras. 291-295, 62 FR 16004 at paras. 291-295 (1997).

⁵¹⁷ See Letter from Aida Alvarez, Administrator, Small Business Administration to Thomas Sugrue, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, Federal Communications Commission (June 4, 1999).

⁵¹⁸ *Revision of Part 22 and Part 90 of the Commission's Rules to Facilitate Future Development of Paging Systems*, WT Docket No. 96-18, PR Docket No. 93-253, Memorandum Opinion and Order on Reconsideration and Third Report and Order, 14 FCC Rcd 10030, 10085, para. 98 (1999).

⁵¹⁹ *Trends in Telephone Service* at Table 5.3.

⁵²⁰ *Id.* The SBA size standard is that of Paging, 13 C.F.R. § 121.201, NAICS code 517211.

175. *700 MHz Guard Band Licensees.* In the 700 MHz Guard Band Order, we adopted a small business size standard for “small businesses” and “very small businesses” for purposes of determining their eligibility for special provisions such as bidding credits and installment payments.⁵²¹ A “small business” as an entity that, together with its affiliates and controlling principals, has average gross revenues not exceeding \$15 million for the preceding three years. Additionally, a “very small business” is an entity that, together with its affiliates and controlling principals, has average gross revenues that are not more than \$3 million for the preceding three years. An auction of 52 Major Economic Area (MEA) licenses commenced on September 6, 2000, and closed on September 21, 2000.⁵²² Of the 104 licenses auctioned, 96 licenses were sold to nine bidders. Five of these bidders were small businesses that won a total of 26 licenses. A second auction of 700 MHz Guard Band licenses commenced on February 13, 2001 and closed on February 21, 2001. All eight of the licenses auctioned were sold to three bidders. One of these bidders was a small business that won a total of two licenses.⁵²³

176. *Rural Radiotelephone Service.* The Commission has not adopted a size standard for small businesses specific to the Rural Radiotelephone Service.⁵²⁴ A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio System (BETRS).⁵²⁵ The Commission uses the SBA’s small business size standard applicable to “Cellular and Other Wireless Telecommunications,” *i.e.*, an entity employing no more than 1,500 persons.⁵²⁶ There are approximately 1,000 licensees in the Rural Radiotelephone Service, and the Commission estimates that there are 1,000 or fewer small entity licensees in the Rural Radiotelephone Service that may be affected by the rules and policies adopted herein.

177. *Air-Ground Radiotelephone Service.* The Commission has not adopted a small business size standard specific to the Air-Ground Radiotelephone Service.⁵²⁷ We will use SBA’s small business size standard applicable to “Cellular and Other Wireless Telecommunications,” *i.e.*, an entity employing no more than 1,500 persons.⁵²⁸ There are approximately 100 licensees in the Air-Ground Radiotelephone Service, and we estimate that almost all of them qualify as small under the SBA small business size standard.

178. *Aviation and Marine Radio Services.* Small businesses in the aviation and marine radio services use a very high frequency (VHF) marine or aircraft radio and, as appropriate, an emergency position-indicating radio beacon (and/or radar) or an emergency locator transmitter. The Commission

⁵²¹See *Service Rules for the 746-764 MHz Bands, and Revisions to part 27 of the Commission’s Rules*, WT Docket No. 99-168, Second Report and Order, 15 FCC Rcd 5299, 5344, para. 108 (2000).

⁵²²See generally Public Notice, “220 MHz Service Auction Closes,” Report No. WT 98-36 (Wireless Telecommunications Bureau, Oct. 23, 1998).

⁵²³Public Notice, “700 MHz Guard Band Auction Closes,” DA 01-478 (rel. Feb. 22, 2001).

⁵²⁴The service is defined in § 22.99 of the Commission’s Rules, 47 C.F.R. § 22.99.

⁵²⁵BETRS is defined in §§ 22.757 and 22.759 of the Commission’s Rules, 47 C.F.R. §§ 22.757 and 22.759.

⁵²⁶13 C.F.R. § 121.201, NAICS code 517212.

⁵²⁷The service is defined in § 22.99 of the Commission’s Rules, 47 C.F.R. § 22.99.

⁵²⁸13 C.F.R. § 121.201, NAICS codes 517212.

has not developed a small business size standard specifically applicable to these small businesses. For purposes of this analysis, the Commission uses the SBA small business size standard for the category "Cellular and Other Telecommunications," which is 1,500 or fewer employees.⁵²⁹ Most applicants for recreational licenses are individuals. Approximately 581,000 ship station licensees and 131,000 aircraft station licensees operate domestically and are not subject to the radio carriage requirements of any statute or treaty. For purposes of our evaluations in this analysis, we estimate that there are up to approximately 712,000 licensees that are small businesses (or individuals) under the SBA standard. In addition, between December 3, 1998 and December 14, 1998, the Commission held an auction of 42 VHF Public Coast licenses in the 157.1875-157.4500 MHz (ship transmit) and 161.775-162.0125 MHz (coast transmit) bands. For purposes of the auction, the Commission defined a "small" business as an entity that, together with controlling interests and affiliates, has average gross revenues for the preceding three years not to exceed \$15 million dollars. In addition, a "very small" business is one that, together with controlling interests and affiliates, has average gross revenues for the preceding three years not to exceed \$3 million dollars.⁵³⁰ There are approximately 10,672 licensees in the Marine Coast Service, and the Commission estimates that almost all of them qualify as "small" businesses under the above special small business size standards.

179. *Fixed Microwave Services.* Fixed microwave services include common carrier,⁵³¹ private operational-fixed,⁵³² and broadcast auxiliary radio services.⁵³³ At present, there are approximately 22,015 common carrier fixed licensees and 61,670 private operational-fixed licensees and broadcast auxiliary radio licensees in the microwave services. The Commission has not created a size standard for a small business specifically with respect to fixed microwave services. For purposes of this analysis, the Commission uses the SBA small business size standard for the category "Cellular and Other Telecommunications," which is 1,500 or fewer employees.⁵³⁴ The Commission does not have data specifying the number of these licensees that have more than 1,500 employees, and thus is unable at this time to estimate with greater precision the number of fixed microwave service licensees that would qualify as small business concerns under the SBA's small business size standard. Consequently, the Commission estimates that there are up to 22,015 common carrier fixed licensees and up to 61,670 private operational-fixed licensees and broadcast auxiliary radio licensees in the microwave services that

⁵²⁹ 13 CFR § 121.201, NAICS code 517212.

⁵³⁰ Amendment of the Commission's Rules Concerning Maritime Communications, PR Docket No. 92-257, *Third Report and Order and Memorandum Opinion and Order*, 13 FCC Rcd 19853 (1998).

⁵³¹ See 47 C.F.R. §§ 101 *et seq.* (formerly, Part 21 of the Commission's Rules) for common carrier fixed microwave services (except Multipoint Distribution Service).

⁵³² Persons eligible under parts 80 and 90 of the Commission's Rules can use Private Operational-Fixed Microwave services. See 47 C.F.R. Parts 80 and 90. Stations in this service are called operational-fixed to distinguish them from common carrier and public fixed stations. Only the licensee may use the operational-fixed station, and only for communications related to the licensee's commercial, industrial, or safety operations.

⁵³³ Auxiliary Microwave Service is governed by Part 74 of Title 47 of the Commission's Rules. See 47 C.F.R. Part 74. This service is available to licensees of broadcast stations and to broadcast and cable network entities. Broadcast auxiliary microwave stations are used for relaying broadcast television signals from the studio to the transmitter, or between two points such as a main studio and an auxiliary studio. The service also includes mobile television pickups, which relay signals from a remote location back to the studio.

⁵³⁴ 13 C.F.R. § 121.201, NAICS code 517212.

may be small and may be affected by the rules and policies adopted herein. We noted, however, that the common carrier microwave fixed licensee category includes some large entities.

180. *Offshore Radiotelephone Service.* This service operates on several UHF television broadcast channels that are not used for television broadcasting in the coastal areas of states bordering the Gulf of Mexico.⁵³⁵ There are presently approximately 55 licensees in this service. We are unable to estimate at this time the number of licensees that would qualify as small under the SBA's small business size standard for "Cellular and Other Wireless Telecommunications" services.⁵³⁶ Under that SBA small business size standard, a business is small if it has 1,500 or fewer employees.⁵³⁷

181. *Wireless Communications Services.* This service can be used for fixed, mobile, radiolocation, and digital audio broadcasting satellite uses. The Commission established small business size standards for the wireless communications services (WCS) auction. A "small business" is an entity with average gross revenues of \$40 million for each of the three preceding years, and a "very small business" is an entity with average gross revenues of \$15 million for each of the three preceding years. The SBA has approved these small business size standards.⁵³⁸ The Commission auctioned geographic area licenses in the WCS service. In the auction, there were seven winning bidders that qualified as "very small business" entities, and one that qualified as a "small business" entity. We conclude that the number of geographic area WCS licensees affected by this analysis includes these eight entities.

182. *39 GHz Service.* The Commission created a special small business size standard for 39 GHz licenses – an entity that has average gross revenues of \$40 million or less in the three previous calendar years.⁵³⁹ An additional size standard for "very small business" is: an entity that, together with affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years.⁵⁴⁰ The SBA has approved these small business size standards.⁵⁴¹ The auction of the 2,173 39 GHz licenses began on April 12, 2000 and closed on May 8, 2000. The 18 bidders who claimed small business status won 849 licenses. Consequently, the Commission estimates that 18 or fewer 39 GHz licensees are small entities that may be affected by the rules and policies adopted herein.

183. *Local Multipoint Distribution Service.* Local Multipoint Distribution Service (LMDS) is a fixed broadband point-to-multipoint microwave service that provides for two-way video

⁵³⁵This service is governed by Subpart I of Part 22 of the Commission's Rules. See 47 C.F.R. §§ 22.1001-22.1037.

⁵³⁶13 C.F.R. § 121.201, NAICS code 517212.

⁵³⁷*Id.*

⁵³⁸See Letter to Amy Zoslov, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA (Dec. 2, 1998).

⁵³⁹See Amendment of the Commission's Rules Regarding the 37.0-38.6 GHz and 38.6-40.0 GHz Bands, ET Docket No. 95-183, *Report and Order*, 63 FR 6079 (Feb. 6, 1998).

⁵⁴⁰*Id.*

⁵⁴¹See Letter to Kathleen O'Brien Ham, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA (Feb. 4, 1998).

telecommunications.⁵⁴² The auction of the 1,030 Local Multipoint Distribution Service (LMDS) licenses began on February 18, 1998 and closed on March 25, 1998. The Commission established a small business size standard for LMDS licenses as an entity that has average gross revenues of less than \$40 million in the three previous calendar years.⁵⁴³ An additional small business size standard for “very small business” was added as an entity that, together with its affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years.⁵⁴⁴ The SBA has approved these small business size standards in the context of LMDS auctions.⁵⁴⁵ There were 93 winning bidders that qualified as small entities in the LMDS auctions. A total of 93 small and very small business bidders won approximately 277 A Block licenses and 387 B Block licenses. On March 27, 1999, the Commission re-auctioned 161 licenses; there were 40 winning bidders. Based on this information, we conclude that the number of small LMDS licenses consists of the 93 winning bidders in the first auction and the 40 winning bidders in the re-auction, for a total of 133 small entity LMDS providers.

184. *218-219 MHz Service.* The first auction of 218-219 MHz spectrum resulted in 170 entities winning licenses for 594 Metropolitan Statistical Area licenses. Of the 594 licenses, 557 were won by entities qualifying as a small business. For that auction, the small business size standard was an entity that, together with its affiliates, has no more than a \$6 million net worth and, after federal income taxes (excluding any carry over losses), has no more than \$2 million in annual profits each year for the previous two years.⁵⁴⁶ In the *218-219 MHz Report and Order and Memorandum Opinion and Order*, we established a small business size standard for a “small business” as an entity that, together with its affiliates and persons or entities that hold interests in such an entity and their affiliates, has average annual gross revenues not to exceed \$15 million for the preceding three years.⁵⁴⁷ A “very small business” is defined as an entity that, together with its affiliates and persons or entities that hold interests in such an entity and its affiliates, has average annual gross revenues not to exceed \$3 million for the preceding three years.⁵⁴⁸ The SBA has approved these size standards.⁵⁴⁹ We cannot estimate, however, the number of licenses that will be won by entities qualifying as small or very small businesses under our rules in future auctions of 218-219 MHz spectrum.

⁵⁴² See *Rulemaking to Amend Parts 1, 2, 21, and 25 of the Commission's Rules to Redesignate the 27.5-29.5 GHz Frequency Band, to Reallocate the 29.5-30.0 GHz Frequency Band, and to Establish Rules and Policies for Local Multipoint Distribution Service and for Fixed Satellite Services*, CC Docket No. 92-297, Second Report and Order, 12 FCC Rcd 12545 (1997).

⁵⁴³ *Id.*

⁵⁴⁴ See *id.*

⁵⁴⁵ See Letter to Dan Phythyon, Chief, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA (Jan. 6, 1998).

⁵⁴⁶ *Implementation of Section 309(j) of the Communications Act – Competitive Bidding*, PP Docket No. 93-253, Fourth Report and Order, 59 FR 24947 (May 13, 1994).

⁵⁴⁷ *Amendment of Part 95 of the Commission's Rules to Provide Regulatory Flexibility in the 218-219 MHz Service*, WT Docket No. 98-169, Report and Order and Memorandum Opinion and Order, 64 FR 59656 (Nov. 3, 1999).

⁵⁴⁸ *Id.*

⁵⁴⁹ See Letter to Daniel B. Phythyon, Chief, Wireless Telecommunications Bureau, Federal Communications Commission, from Aida Alvarez, Administrator, Small Business Administration (Jan. 6, 1998).

185. *24 GHz – Incumbent Licensees.* This analysis may affect incumbent licensees who were relocated to the 24 GHz band from the 18 GHz band, and applicants who wish to provide services in the 24 GHz band. The applicable SBA small business size standard is that of “Cellular and Other Wireless Telecommunications” companies. This category provides that such a company is small if it employs no more than 1,500 persons.⁵⁵⁰ According to Census Bureau data for 1997, there were 977 firms in this category that operated for the entire year.⁵⁵¹ Of this total, 965 firms had employment of 999 or fewer employees, and an additional 12 firms had employment of 1,000 employees or more.⁵⁵² Thus, under this size standard, the great majority of firms can be considered small. These broader census data notwithstanding, we believe that there are only two licensees in the 24 GHz band that were relocated from the 18 GHz band, Teligent⁵⁵³ and TRW, Inc. It is our understanding that Teligent and its related companies have less than 1,500 employees, though this may change in the future. TRW is not a small entity. Thus, only one incumbent licensee in the 24 GHz band is a small business entity.

186. *24 GHz – Future Licensees.* With respect to new applicants in the 24 GHz band, the small business size standard for “small business” is an entity that, together with controlling interests and affiliates, has average annual gross revenues for the three preceding years not in excess of \$15 million.⁵⁵⁴ “Very small business” in the 24 GHz band is an entity that, together with controlling interests and affiliates, has average gross revenues not exceeding \$3 million for the preceding three years.⁵⁵⁵ The SBA has approved these small business size standards.⁵⁵⁶ These size standards will apply to the future auction, if held.

187. *Satellite Service Carriers.* The SBA has developed a size standard for small businesses within the category of Satellite Telecommunications. Under that SBA size standard, such a business is small if it has 1,500 or fewer employees.⁵⁵⁷ According to Commission data, 31 carriers reported that they were engaged in the provision of satellite services.⁵⁵⁸ Of these 31 carriers, an estimated 25 have 1,500 or fewer employees and six, alone or in combination with affiliates, have more than 1,500 employees.⁵⁵⁹

⁵⁵⁰ 13 C.F.R. § 121.201, NAICS code 517212.

⁵⁵¹ U.S. Census Bureau, 1997 Economic Census, Subject Series: Information, “Employment Size of Firms Subject to Federal Income Tax: 1997,” Table 5, NAICS code 513322.

⁵⁵² *Id.* The census data do not provide a more precise estimate of the number of firms that have employment of 1,500 or fewer employees; the largest category provided is “Firms with 1,000 employees or more.”

⁵⁵³ Teligent acquired the DEMS licenses of FirstMark, the only licensee other than TRW in the 24 GHz band whose license has been modified to require relocation to the 24 GHz band.

⁵⁵⁴ *Amendments to Parts 1, 2, 87 and 101 of the Commission's Rules to License Fixed Services at 24 GHz*, WT Docket No. 99-327, Report and Order, 15 FCC Rcd 16934, 16967 (2000); *see also* 47 C.F.R. § 101.538(a)(2).

⁵⁵⁵ *Amendments to Parts 1, 2, 87 and 101 of the Commission's Rules to License Fixed Services at 24 GHz*, WT Docket No. 99-327, Report and Order, 15 FCC Rcd at 16967; *see also* 47 C.F.R. § 101.538(a)(1).

⁵⁵⁶ *See* Letter to Margaret W. Wiener, Deputy Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, FCC, from Gary M. Jackson, Assistant Administrator, SBA (July 28, 2000).

⁵⁵⁷ 13 CFR § 121.201, NAICS code 517410.

⁵⁵⁸ *Telephone Trends Report* at Table 5.3.

⁵⁵⁹ *Id.*

Consequently, the Commission estimates that there are 31 or fewer satellite service carriers which are small businesses that may be affected by the rules and policies proposed herein.

188. *Cable and Other Program Distribution.* This category includes cable systems operators, closed circuit television services, direct broadcast satellite services, multipoint distribution systems, satellite master antenna systems, and subscription television services. The SBA has developed small business size standard for this census category, which includes all such companies generating \$12.5 million or less in revenue annually.⁵⁶⁰ According to Census Bureau data for 1997, there were a total of 1,311 firms in this category, total, that had operated for the entire year.⁵⁶¹ Of this total, 1,180 firms had annual receipts of under \$10 million and an additional 52 firms had receipts of \$10 million or more but less than \$25 million. Consequently, the Commission estimates that the majority of providers in this service category are small businesses that may be affected by the rules and policies adopted herein.

189. *Internet Service Providers.* The SBA has developed a small business size standard for Internet Service Providers (ISPs). ISPs "provide clients access to the Internet and generally provide related services such as web hosting, web page designing, and hardware or software consulting related to Internet connectivity."⁵⁶² Under the SBA size standard, such a business is small if it has average annual receipts of \$21 million or less.⁵⁶³ According to Census Bureau data for 1997, there were 2,751 firms in this category that operated for the entire year.⁵⁶⁴ Of these, 2,659 firms had annual receipts of under \$10 million, and an additional 67 firms had receipts of between \$10 million and \$24, 999,999. Consequently, we estimate that the majority of these firms are small entities that may be affected by our action.

190. *All Other Information Services.* This industry comprises establishments primarily engaged in providing other information services (except new syndicates and libraries and archives).⁵⁶⁵ We note that, in this *Further Notice*, we have described activities such as email, online gaming, web browsing, video conferencing, instant messaging, and other, similar IP-enabled services. The SBA has developed a small business size standard for this category; that size standard is \$6 million or less in average annual receipts.⁵⁶⁶ According to Census Bureau data for 1997, there were 195 firms in this category that operated for the entire year. Of these, 172 had annual receipts of under \$5 million, and an additional nine firms had receipts of between \$5 million and \$9,999,999.⁵⁶⁷ Consequently, we estimate

⁵⁶⁰ 13 CFR § 121.201, NAICS code 517510.

⁵⁶¹ U.S. Census Bureau, 1997 Economic Census, Subject Series: Information, "Establishment and Firm Size (Including Legal Form of Organization)," Table 4, NAICS code 513220.

⁵⁶² 13 CFR § 121.201, NAICS code 518111.
<www.census.gov>.

⁵⁶³ 13 C.F.R. § 121.201, NAICS code 518111.

⁵⁶⁴ U.S. Census Bureau, 1997 Economic Census, Subject Series: Information, "Establishment and Firm Size (Including Legal Form of Organization)," Table 4, NAICS code 514191.
<www.census.gov>.

⁵⁶⁵ U.S. Census Bureau, "2002 NAICS Definitions: 519190 All Other Information Services" (Feb. 2004)
<www.census.gov>.

⁵⁶⁶ 13 C.F.R. § 121.201, NAICS code 519190.

that the majority of these firms are small entities that may be affected by our action.

4. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements for Small Entities

191. This supplemental IRFA seeks comment on several rule changes and intercarrier compensation reform proposals under consideration that may affect reporting, recordkeeping and other compliance requirements for small entities. The type of rule changes under consideration are described below.

192. Any intercarrier compensation reform measures that achieve the Commission's goal of moving toward a more unified regime will relieve small entities of some administrative, recordkeeping, and other compliance requirements, but may also create new burdens.⁵⁶⁸ As discussed within this *Further Notice*, the Commission is considering, and seeks comment on, several options for moving to a unified intercarrier compensation regime.⁵⁶⁹ Each of these options relieves certain compliance burdens that exist under the current system, but, no option under consideration would be burden-free. Consequently, in this Supplemental IRFA the Commission seeks comment on burdens to small entities associated with each reform proposal under consideration.

193. Small entities face significant recordkeeping and compliance burdens under the current intercarrier compensation system, including determining the appropriate regulatory category for all traffic they send or receive, measuring the quantity of each type of traffic, and maintaining administrative systems and processes for intercarrier payments. Additionally, small entities must devote considerable resources to resolving disputes arising due to ambiguities in the rules defining the current intercarrier compensation regimes. A unified intercarrier compensation system with clear rules would reduce the need for small entities to devote resources to these tasks.

a. Bill-and-Keep

194. Some of the intercarrier compensation reform proposals received in this proceeding are based on a bill-and-keep approach.⁵⁷⁰ Under a bill-and-keep approach, carriers would look to their own customers, rather than to other carriers, to recover costs. Carriers, including small entities, might have to modify their systems and processes to reflect this change in cost recovery. These modifications may present a compliance burden to small entities. Any compliance burden, however, may be outweighed by the burdens eliminated by the elimination of intercarrier charges. Additionally, carriers, including small entities, already have systems and processes designed to bill customers with which they have a retail relationship. While these systems and processes may have to be modified, these modifications are similar to those that occur in the normal course of business already.

(Continued from previous page)

⁵⁶⁷U.S. Census Bureau, 1997 Economic Census, Subject Series: Information, "Establishment and Firm Size (Including Legal Form of Organization)," Table 4, NAICS Code 514199 (issued Oct. 2000). This category was created for the 2002 Economic Census by taking a portion of the superseded 1997 category, "All Other Information Services," NAICS code 514199. The data cited in the text above are derived from the superseded category.

⁵⁶⁸See *infra* paras. 194-202.

⁵⁶⁹See *supra* para. 39; See, e.g., ARIC Proposal; CBICC Proposal; EPG Proposal.

⁵⁷⁰See ICF Proposal; Western Wireless Proposal.

195. If a bill-and-keep approach were adopted, the current network interconnection rules may have to be revised or replaced. Carriers would have to ensure that their agreements or arrangements with other carriers comply with any new network interconnection rules. Complying with any new or modified interconnection rules may impose a compliance burden on all carriers, including small entities. This burden may be offset by streamlined operation under new interconnection rules that resolve or eliminate the potential for the types of interconnection disputes that arise under the current rules.

196. The bill-and-keep plans under consideration include new universal service mechanisms.⁵⁷¹ Under these plans, carriers will have to determine their costs and demonstrate a shortfall between their costs and revenues in order to qualify for funding from cost recovery mechanisms. Further, some types of carriers, including small entities, may not be eligible for some of the cost recovery mechanisms included in some of the plans. Determining costs, determining eligibility under any new universal service plan, and administration related to any new universal service plan may represent significant burdens to small entities under a bill-and-keep plan.

b. Unified CPNP

197. The Commission is considering several unified CPNP plans submitted by industry groups comprised of small and medium sized rural LECs and CLECs.⁵⁷² Although these proposals are designed to reduce the overall compliance burdens associated with each compensation regime by applying the same rate to all types of traffic, they may cause certain specific compliance burdens to increase.

198. Under any CPNP approach, carriers would continue to look to other carriers to recover a portion of their costs, and would have to maintain systems and processes to bill other carriers for these new charges. The cost standard that would be used to determine the rates varies with each plan.⁵⁷³ Under plans that apply a TELRIC or embedded cost methodology, carriers may need to perform cost studies using a methodology they have not previously used. Such cost calculations potentially represent a significant compliance and recordkeeping burden for small entities. Moreover, some of the unified CPNP plans under consideration in this proceeding propose rates that would vary by carrier and/or by state.⁵⁷⁴ If such plans were adopted, carriers would have to design and implement administrative systems that track the origin and destination of traffic and account for differing state or carrier rates. Developing and implementing such administrative systems may present a significant compliance burden for small entities.

199. The *Further Notice* seeks comment on the need for new or revised network interconnection rules. Some of the CPNP plans submitted for consideration in this proceeding retain the

⁵⁷¹See ICF Proposal; Western Wireless Proposal.

⁵⁷²See ARIC Proposal, EPG Proposal, CBICC Proposal; ARIC is comprised of small rural LECs. EPG is comprised of small and medium sized rural LECs. CBICC is comprised of small and medium sized CLECs.

⁵⁷³For instance, the CBICC plan uses the TELRIC cost methodology to set compensation rates, CBICC Proposal at 1, the ARIC plan uses embedded carrier costs, ARIC Proposal at 39, and the EPG plan uses interstate access rates, EPG Proposal at 21.

⁵⁷⁴See e.g., ARIC Proposal.

current network interconnection rules. Varying and inconsistent interpretations of these interconnection rules have led to numerous disputes and uncertainty about how the rules are to be applied.⁵⁷⁵ A CPNP plan that retains the current network interconnection rules will inherit this uncertainty surrounding the existing rules. Any changes in such rules also could result in new burdens for some carriers.

200. Adoption of a unified CPNP plan may necessitate changes in interconnection agreements. Interconnection agreements may be premised on rates that would be modified under a unified CPNP plan. Similarly, any change in interconnection rules could lead to renegotiation of agreements. Carriers, including small entities, would likely seek to renegotiate their existing interconnection agreements as a result of any new regime. Renegotiation of existing interconnection agreements may present a significant burden to small entities under a CPNP approach.

201. Each of the unified CPNP plans under consideration assumes revenue neutrality for incumbent LECs with significant funding coming from universal service mechanisms. Some of the plans also include new universal service mechanisms.⁵⁷⁶ Under some plans, carriers will have to determine their costs and demonstrate a shortfall between their costs and revenues in order to qualify for funding from cost recovery mechanisms. Further, some types of carriers, including small entities, may not be eligible for some of the cost recovery mechanisms included in some of the plans. Determining costs, determining eligibility under any new universal service plan, and administration related to any new universal service plan may represent significant burdens to small entities under a unified CPNP plan.

c. Other Issues

202. In this *Further Notice*, the Commission seeks comment on several issues related to transit service.⁵⁷⁷ If, as a result of this *Further Notice*, new rules related to transit service come into existence, these rules may impose burdens on some entities. Rules imposing transit service obligations would likely have no significant impact on ILECs already providing, or carriers already using transit service. For carriers that would be affected, the burdens may include determining the price of transit service purchased or provided, and developing additional administrative capabilities to account for providing or receiving transit service.

203. The Commission also seeks comment regarding possible changes to the intraMTA rule, negotiation of CMRS interconnection agreements, and rating of CMRS traffic, as discussed in this *Further Notice*.⁵⁷⁸ If the Commission changes the intraMTA rule, or otherwise changes parties' obligations, the new rules will likely relieve some burdens, including lowering the level of resources carriers must devote to resolving disputes arising from ambiguities in the current rules. Carriers may also experience burdens associated with bringing operations and interconnection agreements into compliance with the new rules.

⁵⁷⁵See e.g., *Sprint Corp. Petition for Declaratory Ruling Regarding the Routing and Rating of Traffic by ILECs*, CC Docket No. 01-92, Petition of Sprint (filed May 9, 2002) (Sprint Petition).

⁵⁷⁶For example, the ARIC plan proposes a State Equalization Fund, and the EPG plan includes an Access Restructure Charge. See ARIC Proposal at 73; EPG Proposal at 22.

⁵⁷⁷See *supra* Section II.H.1.

⁵⁷⁸See *supra* Section II.H.2.

5. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered.

204. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.

205. In this *Further Notice*, the Commission seeks comments on a variety of intercarrier compensation reform plans submitted in the record in this proceeding, as well as on other issues related to reform of the existing intercarrier compensation system. The Commission is aware that some of the proposals under consideration may create burdens for small entities. Consequently, the Commission seeks comments on alternatives that will minimize burdens, discussed below.

206. Several commenters have expressed a preference for maintaining a CPNP regime, and have submitted plans to replace or reform the current intercarrier compensation system with a more unified CPNP approach.⁵⁷⁹ For instance, the ARIC plan includes a single rate based on embedded costs for each carrier.⁵⁸⁰ The EPG plan uses current interstate access rates as a cost standard.⁵⁸¹ The CBICC plan uses the TELRIC costs of ILEC tandem switching to determine the intercarrier compensation rate.⁵⁸² The Commission seeks comment on the economic impact on small entities of these plans relative to other plans contained in the record, and to a bill-and-keep approach.

207. One non-unified option under consideration for intercarrier compensation system reform is to maintain a CPNP based system without immediately adopting a unified approach. For instance, NASUCA recommends a plan that reduces intrastate access charges over a five-year transition period, and then moves to more unified rates.⁵⁸³

208. Another non-unified approach the Commission is considering includes use of an incremental cost methodology to meet the section 252(d) "additional cost" standard for reciprocal compensation.⁵⁸⁴ The Commission seeks comment on the economic impact of such a plan relative to other plans contained in the record, and to a bill-and-keep approach.

209. Throughout this proceeding, the Commission has recognized the unique needs and

⁵⁷⁹See *supra* paras. 45-47; 48-50; 51 (discussing the EPG proposal, ARIC proposal, and CBICC proposal).

⁵⁸⁰See ARIC Proposal at 39.

⁵⁸¹See EPG Proposal at 21.

⁵⁸²See CBICC Proposal at 1.

⁵⁸³See NASUCA Intercarrier Compensation Proposal, December 14, 2004, attached to Letter from Phillip F. McClelland, Senior Assistant Consumer Advocate, to Marlene H. Dortch, Secretary, Federal Communications Commission, CC Docket No. 01-92 (filed December 14, 2004).

⁵⁸⁴See *supra* para. 72.

interests of small entities.⁵⁸⁵ In this *Further Notice* the Commission seeks comment on several issues and measures under consideration that are uniquely applicable to small entities. Specifically, the Commission seeks comment on whether any intercarrier compensation reform measures adopted should be revenue neutral.⁵⁸⁶ The Commission also seeks comment on the impact of reduced intercarrier revenues to small entities in the event that a bill-and-keep approach is adopted.⁵⁸⁷

210. The Commission also seeks comment on whether separate network interconnection rules are necessary or appropriate for small entities, such as rate-of-return carriers.⁵⁸⁸ Parties responding to this supplemental IRFA supporting such an approach should explain how separate rules would be structured, and what criteria would be used to determine whether an entity qualified to use the separate rules.

211. Additionally, the Commission seeks comment on whether separate cost recovery mechanisms unique to small entities are necessary or appropriate. Parties responding to this Supplemental IRFA in support of separate cost recovery mechanisms for small entities should explain how the separate cost recovery mechanisms would operate, how they would be funded, and what criteria would be used to determine what entities qualify for funding from the separate mechanisms. Further, the Commission seeks comment on the feasibility of retaining an intercarrier compensation mechanism for small entities only, while moving to another system (e.g. bill-and-keep) for all other entities. Parties advocating this approach should explain how a system of intercarrier payments available only to small entities would be integrated with another intercarrier compensation mechanism, such as a bill-and-keep system, that is in place for other carriers.

212. Finally, the Commission seeks comment on whether separate consideration for small entities is necessary or appropriate for each of the following issues previously discussed in this *Further Notice*: the potential impact of rules imposing transit service obligations;⁵⁸⁹ the potential impact of rules related to negotiation of CMRS interconnection;⁵⁹⁰ and the potential impact of rules related to rating and routing of CMRS traffic.⁵⁹¹

⁵⁸⁵ See *Inter-carrier Compensation NPRM*, 16 FCC Rcd at 9656, para. 128.

⁵⁸⁶ See *supra* para. 100.

⁵⁸⁷ See *supra* para. 106.

⁵⁸⁸ See *supra* para. 94.

⁵⁸⁹ See *supra* paras. 127-33.

⁵⁹⁰ See *supra* paras. 139-40.

⁵⁹¹ See *supra* paras. 141-43.

6. **Federal Rules that may duplicate, overlap, or conflict with the proposed rules**

213. Implementation of any of the rule changes the Commission is considering in this *Further Notice* may require extensive modifications to existing Federal Rules. The need for modifications does not necessarily mean that the new rules duplicate, overlap, or conflict with existing rules. Rather, amendments to the existing rules would be necessary to codify the policies the Commission adopts. The sections of the Commission's rules that would likely have to be amended include, without limitation, the following: Part 32: Uniform System of Accounts for Telecommunications Companies;⁵⁹² Part 36: Jurisdictional Separations Procedures; Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes, and Reserves for Telecommunications Companies;⁵⁹³ Part 51: Interconnection;⁵⁹⁴ Part 54: Universal Service;⁵⁹⁵ Part 61: Tariffs;⁵⁹⁶ and Part 69: Access Charges.⁵⁹⁷

B. Comment Filing Procedures

214. Pursuant to sections 1.415 and 1.419 of the Commission's rules,⁵⁹⁸ interested parties may file comments within 60 days after this *Further Notice* is published in the Federal Register and reply comments within 90 days after this *Further Notice* is published in the Federal Register. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies.⁵⁹⁹ Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/cgb/ecfs/>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of the proceeding, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number, in this case, **CC Docket No. 01-92**. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form." A sample form and directions will be sent in reply. Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number.

215. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or

⁵⁹²47 CFR § 32.1 *et seq.*

⁵⁹³47 CFR § 36.1 *et seq.*

⁵⁹⁴47 CFR § 51.1 *et seq.*

⁵⁹⁵47 CFR § 54.1 *et seq.*

⁵⁹⁶47 CFR § 61.1 *et seq.*

⁵⁹⁷47 CFR § 69.1 *et seq.*

⁵⁹⁸47 C.F.R. §§ 1.415, 1.419.

⁵⁹⁹See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). **Parties are strongly encouraged to file comments electronically using the Commission's ECFS.**

216. The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002.

- The filing hours at this location are 8:00 a.m. to 7:00 p.m.
- All hand deliveries must be held together with rubber bands or fasteners.
- Any envelopes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554.

217. All filings must be addressed to the Commission's Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission, 445 12th Street, SW, Washington, D.C. 20554. Parties should also send a copy of their filings to Victoria Goldberg, Pricing Policy Division, Wireline Competition Bureau, Federal Communications Commission, Room 5-A266, 445 12th Street, SW, Washington, D.C. 20554, or by e-mail to victoria.goldberg@fcc.gov. Parties shall also serve one copy with the Commission's copy contractor, Best Copy and Printing, Inc. (BCPI), Portals II, 445 12th Street, SW, Room CY-B402, Washington, D.C. 20554, (202) 488-5300, or via e-mail to fcc@bcpiweb.com.

218. Documents in CC Docket No. 01-92 are available for public inspection and copying during business hours at the FCC Reference Information Center, Portals II, 445 12th St. SW, Room CY-A257, Washington, DC 20554. The documents may also be purchased from BCPI, telephone (202) 488-5300, facsimile (202) 488-5563, TTY (202) 488-5562, e-mail fcc@bcpiweb.com.

C. Initial Paperwork Reduction Act Analysis

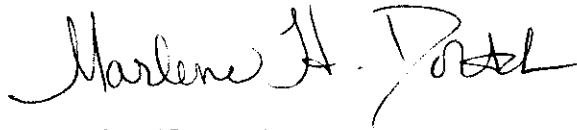
219. This document does not contain proposed information collection(s) subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified "information collection burden for small business concerns with fewer than 25 employees," pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4).

IV. ORDERING CLAUSES

220. Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 1-5, 7, 10, 201-05, 207-09, 214, 218-20, 225-27, 251-54, 256, 271, 303, 332, 403, 405, 502 and 503 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-155, 157, 160, 201-05, 207-09, 214, 218-20, 225-27, 251-54, 256, 271, 303, 332, 403, 405, 502, and 503 and sections 1.1, 1.421 of the Commission's rules, 47 C.F.R. §§ 1.1, 1.421, NOTICE IS HEREBY GIVEN of the rulemaking and COMMENT IS SOUGHT on those issues.

221. IT IS FURTHER ORDERED that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, SHALL SEND a copy of this Further Notice of Proposed Rulemaking, including the Supplemental Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

FEDERAL COMMUNICATIONS COMMISSION

A handwritten signature in black ink, appearing to read "Marlene H. Dortch". The signature is fluid and cursive, with the first name "Marlene" being the most prominent part.

Marlene H. Dortch
Secretary

APPENDIX A

INTERCARRIER COMPENSATION NPRM
CC DOCKET NO. 01-92COMMENTS

ACS of Anchorage, Inc.
Ad Hoc Telecommunications Users Committee (Ad Hoc)
Alaska Telephone Association
Allegiance Telecom, Inc.
Allied Personal Communications Industry
ALLTEL Communications Inc.
America Online, Inc. (AOL)
AT&T Corp.
AT&T Wireless Services, Inc.
BellSouth Corp.
Cable & Wireless USA
Cablevision Lightpath, Inc.
California Public Utilities Commission (California Commission)
Cbeyond Communications
Cellular Telecommunications & Internet Association (CTIA)
CenturyTel, Inc.
Competitive Telecommunications Association (CompTel)
Florida Public Service Commission (Florida Commission)
Focal Communications Corp., Pac-West Telecomm, Inc., RCN Telecom Services, Inc., and US LEC Corp. (Focal *et al.*)
General Services Administration (GSA)
Global Crossing Ltd.
Global NAPs Inc.
Guyana Telephone & Telegraph Ltd.
GVNW Consulting, Inc.
Home Telephone Company, Inc.
ICORE Inc.
Illinois Commerce Commission (Illinois Commission)
Independent Telephone & Telecommunications Alliance
Information Technology Association of America
Iowa Utilities Board (Iowa Commission)
ITC's, Inc.
KMC Telecom, Inc.
Level 3 Communications
Maryland Office of the People's Counsel (MD-OPC)
Michigan Exchange Carriers Association, Inc. (MECA)
Mid Missouri Cellular
Minnesota Independent Coalition
Missouri Public Service Commission (Missouri Commission)
Missouri Small Telephone Company Group (MSTG)
Mpower Communications Corp.
National Association of Regulatory Utility Commissioners (NARUC)

National Association of State Utility Consumer Advocates (NASUCA)
National Exchange Carrier Association, Inc. (NECA)
National Telephone Cooperative Association (NTCA)
New York State Department of Public Service (New York Commission)
Nextel Communications, Inc.
North County Communications
National Rural Telecom Association and the Organization for the Promotion and Advancement of Small Telecommunications Companies (NRTA/OPASTCO)
Office of the Public Utility Counsel of Texas (Texas Counsel)
Oklahoma Rural Telephone Coalition
Onvoy, Inc.
Parrish, Blessing & Associates
Personal Communications Industry Association (PCIA)
Public Service Commission of Wisconsin (Wisconsin Commission)
Public Utility Commission of Texas (Texas Commission)
Qwest Communications International Inc.
Regulatory Utility Commission of Alaska (Alaska Commission)
Ronan Telephone Company Consumer Advisory Committee (Ronan Advisory)
Ronan Telephone Company and Hot Springs (Ronan/Hot Springs)
Rural Independent Competitive Alliance (RICA)
Rural Telecommunications Group (RTG)
SBC Communications, Inc.
Singapore Telecommunications Limited
Sprint Corp.
Telecom Consulting Associates, Inc. (TCA)
Time Warner Telecom
Triton PCS License Company, LLC
United States Telecom Association (USTA)
United Utilities, Inc.
Verizon
Verizon Wireless
VoiceStream Wireless Corp.
Western Alliance
WorldCom, Inc.
Z-Tel Communications, Inc.

REPLIES

ACS of Anchorage, Inc.
Ad Hoc Telecommunications Users Committee
Advanced Paging, Inc., A.V. Lauttamus Communications, Inc., and NEP, LLC (Advanced Paging *et al.*)
Allegiance Telecom, Inc.
Alliance of Incumbent Rural Independent Telephone Companies and the Independent Alliance
Allied Personal Communications Industry Association of California
ALLTEL Communications, Inc.
Arch Wireless, Inc.
Association for Local Telecommunications Services (ALTS)
AT&T
AT&T Wireless Services, Inc.

BellSouth Corp.
Cable & Wireless USA
Cablevision Lightpath, Inc.
California Public Utilities Commission (California Commission)
Cellular Telecommunications & Internet Association (CTIA)
Cincinnati Bell Telephone
Cook Telecom, Inc.
District of Columbia Office of the People's Counsel (DC People's Counsel)
e.spire Communications, Inc. and KMC Telecom, Inc. (e.spire and KMC)
Focal Communications Corp., Pac-West Telecomm, Inc., RCN Telecom Services, Inc. and US LEC Corp. (Focal *et al.*)
General Services Administration (GSA)
Genuity Solutions, Inc.
Global NAPs, Inc.
GVNW Consulting, Inc.
Independent Telephone & Telecommunications Alliance
Information Technology Association of America
Leap Wireless International
Level 3 Communications, LLC
Maryland Office of People's Counsel (MD-OPC)
Midwest Wireless Communications LLC, Midwest Wireless Iowa LLC, and Midwest Wireless Wisconsin LLC (Midwest)
Missouri Independent Telephone Group (MITG)
Missouri Small Telephone Company Group (MSTG)
National Association of State Utility Consumer Advocates (NASUCA)
National Exchange Carrier Association, Inc. (NECA)
National Rural Telephone Association and Organization for the Promotion and Advancement of Small Telecommunications Companies (NRTA/OPASTCO)
National Telephone Cooperative Association (NTCA)
Network Services LLC
Nextel Communications, Inc.
North County Communications
Office of the Public Utility Counsel of Texas (Texas Counsel)
Personal Communications Industry Association (PCIA)
Qwest Communications International, Inc.
Ronan Telephone Company Consumer Advisory Committee (Ronan Advisory)
Rural Cellular Association
Rural Independent Competitive Alliance (RICA)
Rural Telecommunications Group (RTG)
SBC Communications, Inc.
Small Business Administration, Office of Advocacy (SBA)
Small Company Group of New York
Sprint Corp.
SureWest Communications
Taylor Communications Group, Inc.
Telecom Consulting Associates, Inc. (TCA)
Time Warner Telecom
Triton PCS License Company, LLC
United States Telecom Association (USTA)

Verizon
Verizon Wireless
VoiceStream Wireless Corp.
WebLink Wireless, Inc.
WorldCom, Inc.

APPENDIX B

T-MOBILE USA, WESTERN WIRELESS, NEXTEL COMMUNICATIONS
AND NEXTEL PARTNERS PETITION
CC DOCKET NO. 01-92COMMENTS

Alliance of Incumbent Rural Independent Telephone Companies
AT&T Corp.
AT&T Wireless Services, Inc.
BellSouth Corp.
Cellular Telecommunication & Internet Association (CTIA)
Cingular Wireless LLC
Fred Williamson & Associates, Inc.
Frontier & Citizens Incumbent Local Exchange Carriers
ICORE, Inc.
John Staurulakis, Inc. (JSI)
Michigan Rural Incumbent Local Exchange Carriers
Minnesota Independent Coalition
Missouri Independent Telephone Company Group (MITG)
Missouri Small Telephone Company Group (MSTG)
Montana Local Exchange Carriers
National Telecommunications Cooperative Association (NTCA)
Nebraska Rural Independent Companies
Oklahoma Rural Telephone Companies
Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO)
Qwest Communications International, Inc.
Rural Cellular Association and Rural Telecommunications Group
Rural Incumbent Local Exchange Carriers (Rural ILEC)
Rural Iowa Independent Telephone Association
SBC Communications, Inc.
South Dakota Telephone Assoc., et. al.
Sprint Corp.
Telecom Consulting Associates, Inc.
Triton PCS License Company, LLC
United States Cellular Corp.
United States Telecom Association (USTA)
Verizon Wireless
Warinner, Gesigner & Associates, LLC
Warinner, Gesigner & Associates on behalf of KLM Telephone Company, *et al.*

REPLIES

Alabama Rural Local Exchange Carriers
AT&T Corp.
AT&T Wireless Services, Inc.
Beacon Telecommunications Advisors, LLC
California RTCs
Cellular Telecommunication & Internet Association (CTIA)
Fred Williamson & Associates Inc.
GVNW Consulting, Inc.
Joint CMRS Petitioners
Minnesota Independent Coalition
Missouri Independent Telephone Company Group (MITG)
Missouri Small Telephone Company Group (MSTG)
Montana Local Exchange Carriers
National Exchange Carrier Association, Inc. (NECA)
Nebraska Rural Independent Companies
Oklahoma Rural Telephone Companies
Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO)
Rural Carriers (TDS Telecommunications Corp. *et al.*)
SBC Communications, Inc.
Supra Telecommunications & Information Systems, Inc.
Triton PCS License Company, LLC
Verizon Wireless